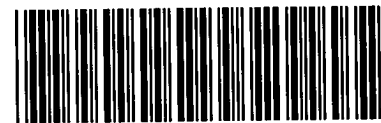


# Fulham Stadium Limited

Annual Report 30 June 2014



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# **Fulham Stadium Limited**

## **Directors' Report**

For the year ended 30 June 2014

The Directors present their report and financial statements for the year ended 30 June 2014.

### **Principal activity**

The principal activity of the company is to hold the freehold and develop Craven Cottage, a football stadium.

### **Review of the business**

On 12 July 2013, the entire share capital of the Company's immediate parent company, Fulham Football Leisure Limited, was sold to Big Cat Holdings Limited, a company incorporated in Bermuda. Further information about this change of ownership is included in note 14.

During the year, the Company continued planning and design works in respect of the proposed redevelopment of the Riverside Stand at the stadium following the granting of planning permission by Hammersmith and Fulham Council on 26<sup>th</sup> July 2012. The Company focus over the coming seasons will be on bringing this exciting development to fruition and creating a much improved environment for supporters.

### **Results and dividends**

The profit for the year amounted to £81,421 (2013: £228,653) which has been transferred to reserves. The Directors do not recommend the payment of a dividend (2013: nil).

### **Directors**

The Directors who served during the year and up to the signing date of these financial statements are as follows:

M Al Fayed (resigned 12 July 2013)

S R Khan (appointed 12 July 2013)

A J Mackintosh

M Lamping (appointed 12 July 2013)

S E O'Loughlin (appointed 11 December 2013)

### **Disclosure of information to auditor**

Each of the Directors has confirmed that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Special provisions**

The directors' report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and have taken advantage from the exemption allowing them to not prepare a strategic report.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



By order of the Board

A J Mackintosh

Chief Executive

8 November 2014.

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## **Fulham Stadium Limited**

### **Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements**

For the year ended 30 June 2014

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report To the Members of Fulham Stadium Limited**

We have audited the financial statements of Fulham Stadium Limited for the year ended 30 June 2014 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Andrew Turner (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Salisbury Square

London

EC4Y 8BB

10 November 2014.

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# Fulham Stadium Limited

## Profit and Loss Account

For the year ended 30 June 2014

		2014	2013
	Notes	£	£
<b>Turnover</b>	<b>2</b>	<b>2,000,000</b>	2,000,000
Administrative expenses		(168,497)	(110,694)
Depreciation		(1,723,402)	(1,660,653)
<b>Operating profit</b>		<b>108,101</b>	228,653
Loss on disposal of tangible fixed assets		(26,680)	-
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>81,421</b>	228,653
Taxation of profit on ordinary activities	<b>4</b>	-	-
<b>Profit for the year</b>		<b>81,421</b>	228,653

All amounts relate to continuing operations.

The Company has no recognised gains or losses other than the profit for the year.

The notes on pages 7 to 12 form part of these financial statements.

**Fulham Stadium Limited****Balance Sheet**

Company number: 3375418

As at 30 June 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	5	15,221,862	16,071,337
Investment in subsidiary	6	<u>3,659,730</u>	<u>2</u>
		18,881,592	16,071,339
<b>Current assets</b>			
Debtors - amounts due within one year	7	27,078	40,396
Debtors - amounts due after more than one year	7	-	3,907,093
Cash at bank and in hand		<u>6,999</u>	<u>12,489</u>
		34,077	3,959,978
<b>Creditors: amounts falling due within one year</b>	8	<u>(500,532)</u>	<u>(22,003,427)</u>
<b>Net current liabilities</b>		<u>(466,455)</u>	<u>(18,043,449)</u>
 Total assets less current liabilities		 18,415,137	 (1,972,110)
 <b>Net assets/(liabilities)</b>		 <u>18,415,137</u>	 <u>(1,972,110)</u>
 <b>Capital and reserves</b>			
Called up share capital	9	32,304,828	11,999,002
Profit and loss account	10	<u>(13,889,691)</u>	<u>(13,971,112)</u>
<b>Shareholders' funds/(deficit)</b>	11	<u>18,415,137</u>	<u>(1,972,110)</u>

The notes on pages 7 to 12 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller companies, approved and authorised for issue by the board on 8 November 2014.



A J Mackintosh  
Director

# **Fulham Stadium Limited**

## **Accompanying Notes to the Financial Statements**

For the year ended 30 June 2014

### **1. Accounting policies**

#### **a) Accounting convention**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

#### **b) Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding the net current liability position of £466,455 (2013: £18,043,449). The Directors believe the use of the going concern basis to be appropriate, having received written indications from Mr Shahid Khan that continued funding will be made available to finance the Company's working capital requirements for the foreseeable future, if required, irrespective as to whether Fulham Football Club retains membership of the Premier League at the end of the 2013/14 season or not. Although there is no legal obligation for Mr Khan to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

#### **c) Tangible fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The depreciation rates are as follows:

Stands, fixtures, fittings and equipment – 10% - 25% p.a.

Depreciation is only charged on assets brought into use during the year.

The Company evaluates its fixed assets for financial impairment where events or circumstances indicate that the carrying value of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value an impairment is recorded.

#### **d) Deferred taxation**

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No. 19 "Deferred Tax". Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not. Deferred tax balances are not discounted.

#### **e) Group accounts**

Group accounts are not prepared because the Company is exempt from doing so under S400 of the Companies Act 2006. The results of the Company and its subsidiary are included in the consolidated accounts of Fulham Football Leisure Limited. The financial information in these accounts is presented about the Company as an individual undertaking and not about its group.

**Fulham Stadium Limited**  
**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2014

**2. Turnover**

All turnover arises in the UK and relates to rental income. Rental income is credited to the profit and loss account in the period to which it relates.

**3. Profit on ordinary activities before taxation**

	<b>2014</b>	2013
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Increase in provision against debt due from subsidiary	<b>164,746</b>	126,394
Auditors remuneration - audit services	<b>2,500</b>	2,500
Depreciation	<b>1,723,402</b>	1,660,653
Loss on disposal of tangible fixed assets	<b>(26,680)</b>	-

During the year, no director received any emoluments (2013: nil).

**4. Taxation**

	<b>2014</b>	2013
	£	£
(a) The tax for the year comprises:		
Current tax charge	-	-
Total current tax (note 4 (b))	<u>-</u>	<u>-</u>

**Fulham Stadium Limited**  
**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2014

**4. Taxation (continued)**

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>81,421</u>	<u>228,653</u>
Profit on ordinary activities at standard rate of corporation tax in the UK of 22.5% (2013: 23.75%)	18,320	54,305
Effects of:		
Expenses not deductible for tax purposes - fixed assets	345,957	359,318
Expenses not allowable for tax purposes	37,070	30,019
Depreciation in excess of / (less than) capital allowances	46,299	(57,694)
Group relief claimed	<u>(447,646)</u>	<u>(385,948)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

At the year end, the Company has a deferred tax asset of £141,799 (2013: £115,744). This asset has not been recognised as the Directors consider there to be significant uncertainty over the likelihood of the Company generating sufficient future profits against which to offset the asset.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.

The unrecognised deferred tax asset is analysed below:

	2014 £	2013 £
Depreciation in excess of capital allowances	<u>141,799</u>	<u>115,744</u>

**Fulham Stadium Limited**  
**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2014

**5. Tangible Fixed Assets**

	<b>Freehold Land</b>	<b>Stands, Fixtures, Fittings and Equipment</b>	<b>Assets in the Course of Construction</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
1 July 2013	6,975,428	24,524,038	3,404,799	34,904,265
Additions	-	232,016	693,303	925,319
Reclassified on completion	-	335,763	(335,763)	-
Disposals	-	(93,828)	-	(93,828)
<b>30 June 2014</b>	<b>6,975,428</b>	<b>24,997,989</b>	<b>3,762,339</b>	<b>35,735,756</b>
<b>Depreciation</b>				
1 July 2013	-	18,832,928	-	18,832,928
Charge for year	-	1,723,402	-	1,723,402
Disposals	-	(42,436)	-	(42,436)
<b>30 June 2014</b>	<b>-</b>	<b>20,513,894</b>	<b>-</b>	<b>20,513,894</b>
<b>Net book amount</b>				
<b>30 June 2014</b>	<b>6,975,428</b>	<b>4,484,095</b>	<b>3,762,339</b>	<b>15,221,862</b>
1 July 2013	6,975,428	5,691,110	3,404,799	16,071,337

Assets in the course of construction represent design and planning works in respect of the redevelopment of the Riverside Stand.

**Fulham Stadium Limited**  
**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2014

**6. Investment in subsidiary**

	2014	2013
	£	£
Cost	4,136,794	2
Provision	(477,064)	-
	<u>3,659,730</u>	<u>2</u>

At 30 June 2013, the Company owned the following principal subsidiary which is incorporated in Great Britain and operates in the United Kingdom. On 16 January 2014 the Company subscribed for 4,136,792 newly issued shares of £1 each in FL Property Management Limited. In consideration for these shares the Company cancelled loans of the same value due from FL Property Management Limited.

The directors performed an assessment of the carrying value of the investments in subsidiaries. The remaining value is supported by the net asset value of the subsidiaries.

Interest in Company	Principal Activity	Ordinary Shares
FL Property Management Limited	Training ground development	100%

**7. Debtors**

Amounts due within one year:	2014	2013
	£	£
Other taxes and social security	<u>27,078</u>	<u>40,396</u>
Amounts due after more than one year:	2014	2013
	£	£
Amounts due from group undertakings	<u>-</u>	<u>3,907,093</u>

**8. Creditors**

Amounts due within one year:	2014	2013
	£	£
Trade creditors	46,933	71,645
Accruals and deferred income	171,660	21,501
Amounts due to parent undertakings	<u>281,939</u>	<u>21,910,281</u>
	<u>500,532</u>	<u>22,003,427</u>

**9. Share Capital**

	2014	2013
Allotted, called up and fully paid	Number	Number
Ordinary shares of £1 each	<u>32,304,828</u>	<u>11,999,002</u>

On 16<sup>th</sup> January 2014, 20,305,826 new ordinary shares of £1 each were issued to Fulham Football Leisure Limited. In consideration for these shares, Fulham Football Leisure Limited cancelled loans to the Company of the same value.

**Fulham Stadium Limited****Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2014

**10. Profit and loss account**

	2014	2013
	£	£
At 1 July 2013	(13,971,112)	(14,199,765)
Profit for the year	81,421	228,653
At 30 June 2014	<u>(13,889,691)</u>	<u>(13,971,112)</u>

**11. Reconciliation of movement in Shareholders' deficit**

	2014	2013
	£	£
At 1 July 2013	(1,972,110)	(2,200,763)
Profit for the year	81,421	228,653
Issue of new share capital	20,305,826	-
At 30 June 2014	<u>18,415,137</u>	<u>(1,972,110)</u>

**12. Capital commitments**

Amounts contracted for but not provided for in the accounts amounted to £Nil (2013: £Nil).

**13. Related party transactions**

No disclosure has been made of any transactions within these financial statements with the Company's subsidiary, immediate parent company or fellow subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8.

**14. Ultimate parent company and controlling party**

The Company's immediate parent undertaking is Fulham Football Leisure Limited, which is incorporated in Great Britain. It is also the parent company of the smallest group for which group accounts have been prepared.

The ultimate parent company is Cougar HoldCo London Limited, a company incorporated in the United Kingdom, which is the parent company for the largest group for which group accounts have been prepared. All interests in the company are held for the benefit of Mr Shahid Khan, the company's ultimate controlling party.

Copies of the consolidated accounts may be obtained from Companies House, Cardiff, CF4 3UZ.